



House of Representatives

General Assembly

File No. 115

February Session, 2008

House Bill No. 5580

House of Representatives, March 20, 2008

The Committee on Banks reported through REP. BARRY of the 12th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE DISCHARGE OF LIENS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 49-59 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 Each person who has lodged for record a certificate claiming a lien
4 on any property, under the provisions of this chapter, shall, after
5 receiving satisfaction of [his] the claim or after the rendition of a final
6 judgment against [him] such person showing that nothing is due
7 thereon, [within] no later than ten days after [; being requested in
8 writing to do so by any person interested in having the lien removed,
9 sign] receiving such satisfaction or final judgment: (1) Sign and lodge,
10 in the office of the town clerk in which his original certificate was filed
11 for record, a certificate that such lien is removed, which, when
12 recorded, shall discharge such lien; and (2) provide a copy of the
13 certificate that such lien is removed to the debtor. If [he] such person
14 fails to comply with [such request, he] this section, such person shall
15 pay to the party aggrieved such sum, not exceeding half the amount

- 16 claimed by [his] the lien, as the court having cognizance of the action
17 brought therefor may determine.

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	<i>October 1, 2008</i>	49-59
-----------	------------------------	-------

BA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
All Municipalities	Revenue Gain	Minimal	Minimal

Explanation

The bill results in a minimal revenue gain to municipalities as additional filings will result for lien removal certificates. This is the result of requiring the action rather than requiring the action on request.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5580*****AN ACT CONCERNING THE DISCHARGE OF LIENS.*****SUMMARY:**

This bill requires individuals who have filed a certificate claiming a property lien to sign and file a lien removal certificate, which, upon recordation, discharges the lien, in the town clerk's office where the original certificate was filed and provide a copy of the certification to the debtor. They must do this within 10 days of receiving satisfaction of the claim or a final judgment showing that nothing is due on the claim.

Current law requires that the certificate of removal be filed within 10 days upon the written request of a person interested in having the lien removed and does not require that the debtor get a copy. By law, courts may order people who fail to comply with the lien discharge procedure to pay aggrieved parties up to half the amount claimed by the lien.

EFFECTIVE DATE: October 1, 2008

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/04/2008)